

(iii) When weather prohibits repainting exterior surfaces before final inspection, the grantee or State recipient may, or may permit the owner to, abate the defective paint or chewable lead-based paint as required by this section and agree to repaint by a specified date. A separate inspection is required.

(4) *Abatement methods.* At a minimum, treatment of the defective areas and chewable lead-based paint surfaces shall consist of covering or removal of the painted surface as described in 24 CFR 35.24(b)(2)(ii).

(5) *Disposal of lead-based paint debris.* Lead-based paint and defective paint debris shall be disposed of in accordance with applicable Federal, State or local requirements. (See, *e.g.*, 40 CFR parts 260 through 271.)

(6) *Tenant protection.* The grantee or State recipient shall assure that the owner and any rehabilitation contractors shall take appropriate action to protect tenants from hazards associated with abatement procedures. Where necessary, these actions may include the temporary relocation of tenants during the abatement process.

(7) *Records.* The grantee or State recipient shall keep a copy of each notification, inspection, and/or test report required by this section for at least three years. The grantee or State recipient shall provide to the local Public Housing Authority a copy of these documents if the housing unit is or will be occupied by a section 8 assisted family.

(8) *Monitoring and enforcement.* HUD Field Office monitoring of rehabilitation programs under the Community Planning and Development Monitoring Handbook (6509.2 REV 4) requires monitoring for compliance with applicable program requirements for lead-based paint. In cases of noncompliance, HUD may impose conditions or sanctions on grantees or State recipients in accordance with this part to encourage prompt compliance.

(9) *Compliance with other program requirements, Federal, state and local laws—(i) Other program requirements.* To the extent that rental rehabilitation grant amounts are used in conjunction with other HUD program assistance which may have more or less stringent

lead-based paint requirements, the more stringent requirements shall apply.

(ii) *HUD responsibility.* If HUD determines that a State or local law, ordinance, code or regulation provides for lead-based paint testing or hazard abatement in a manner which provides a level of protection from the hazards of lead-based paint poisoning at least comparable to that provided by the requirements of this section and that adherence to the requirements of this subpart would be duplicative or otherwise cause inefficiencies, HUD may deem compliance with such comparable State or local requirements and procedures to constitute compliance with this section. The HUD Field Office may make this determination initially, subject to monitoring review by, or appeal to, the Regional Office and Headquarters.

(iii) *Grantee or State recipient responsibility.* Nothing in this section is intended to relieve any grantee or State recipient in the programs covered by this section of any responsibility for compliance with State or local laws, ordinances, codes or regulations governing lead-based paint testing or hazard abatement.

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§ 511.16 Other Federal requirements.

In addition to the Federal requirements set forth in 24 CFR part 5, Grantees and, where applicable, State recipients shall comply with the following requirements:

(a) *Labor standards.* All laborers and mechanics (except laborers and mechanics employed by a State or local government acting as the principal contractor on the project) employed in the rehabilitation of a project assisted under the Rental Rehabilitation Program that contains 12 or more dwelling units after rehabilitation shall be paid wages at rates not less than those prevailing on similar rehabilitation in the locality, if such a rate category exists, or other appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40

U.S.C. 276a—276a-5), and contracts involving their employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). (If CDBG funds are used to finance certain costs for projects of 8 or more units, these labor standards may apply (see 24 CFR 570.603).) If a project is subject to Federal labor standards requirements, individuals are not permitted to perform work thereon which is covered by such requirements without compensation in accordance with such requirements, except that persons who own a project in their own name may personally perform uncompensated work on their own projects. Grantees, State recipients, owners, contractors and subcontractors shall comply with applicable implementing regulations in 29 CFR parts 1, 3, and 5.

(b) *Environment and historic preservation.* Section 104(g) of the Housing and Community Development Act of 1974 and 24 CFR part 58, which prescribe procedures for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4361), and the additional laws and authorities listed at 24 CFR 58.5.

(c) *Pet ownership in housing for the elderly or handicapped.* The provisions of 24 CFR part 243 apply to any project assisted under this part for which preference in tenant selection is given for all units in the project to elderly or handicapped persons or elderly or handicapped families, as defined in 24 CFR 812.2.

(d) *Flood insurance.* (1) Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), a grantee may not approve the commitment of rental rehabilitation grant amounts to a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and

(ii) Flood insurance is obtained as a condition of approval of the commitment.

(2) Grantees with projects located in an area identified by FEMA as having special flood hazards are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(3) This paragraph § 511.16(g) does not apply in the case of allocations administered by a State under § 511.51(a).

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Subpart C [Reserved]

Subpart D—Allocation Formula and Reallocations

§§ 511.30—511.31 [Reserved]

§ 511.33 Deobligation of rental rehabilitation grant amounts.

(a) Before deobligating grant amounts, HUD will consult with the affected grantee and take into account factors such as timing of the grantee's program year; the timing of State distributions to State recipients, if applicable; the timing of expected project approvals for projects in the grantee's pipeline; climatic or other considerations affecting rehabilitation work schedules; and other relevant considerations. In addition to any remedial deobligation under § 511.82, HUD may deobligate any rental rehabilitation grant amounts that are not:

(1) Committed to specific local projects within 3 years of the date of obligation of the grant under § 511.21(d) (4 years in the case of a State that distributes rental rehabilitation grant amounts to State recipients); or

(2) Expended for eligible costs within 5 years of such date of obligation (6 years in the case of a State that distributes rental rehabilitation grant amounts to State recipients).

(b) After such consultation, the HUD field office may direct the grantee to proceed with program closeout and may deobligate remaining unexpended grant amounts if the field office determines that any uncommitted funds will not be committed within a reasonable time, only small amounts of funds remain unexpended, or completion of